

VZCZCXYZ0019
OO RUEHWEB

DE RUEHAC #0360/01 1541819
ZNY CCCCC ZZH
O 021819Z JUN 08
FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6957
INFO RUCNMER/MERCOSUR COLLECTIVE PRIORITY
RHEHNCS/NSC WASHDC PRIORITY
RHMFISS/HQ USSOUTHCOM MIAMI FL PRIORITY
RHMFISS/USSOCOM MACDILL AFB FL PRIORITY

C O N F I D E N T I A L ASUNCION 000360

SIPDIS

NSC FOR FISK; STATE FOR WHA/FO AND WHA/BSC

E.O. 12958: DECL: 3.3(X6)

TAGS: [PINR](#) [PGOV](#) [PREL](#) [PA](#)

SUBJECT: VICE PRESIDENT-ELECT FEDERICO FRANCO: A PROFILE

REF: ASUNCION 263

Classified By: DCM Michael J. Fitzpatrick; reasons 1.4 (b) and (d).

1.(C) SUMMARY: Liberal Federico Franco is Paraguay's new Vice President-elect. From a prominent Liberal family, Franco is a medical doctor, businessman and former Governor. He launched his political career as a suburban municipal council member in 1991 and joined the PLRA in 1994. Franco announced his bid for the vice presidency when the PLRA agreed in June 2007 to support Lugo's presidential candidacy in return for Lugo's commitment to accept a Liberal running mate. A veteran politician, Franco reportedly has a strained personal relationship with President-elect Lugo. Franco should bring balance and political experience to the Lugo administration, although his equally-strong will could interfere with their ability to govern effectively together. END SUMMARY.

12. (U) Luis Federico Franco Gomez is Fernando Lugo's vice president-elect and a member of the Radical Authentic Liberal Party (PLRA), Paraguay's largest opposition political party and one of 12 political parties and nine political movements in Lugo's Patriotic Alliance for Change (APC) (reftel). Franco defeated PLRA Senator Carlos Mateo Balmelli -- who was heavily favored to win in public opinion polls -- by 646 votes in the December 2007 PLRA primary. Balmelli initially contested the election results (claiming fraud) but conceded the election to Franco in January.

13. (U) Franco comes from a prominent Liberal family, and is a medical doctor and businessman. He was born in Asuncion on July 23, 1962, and is married to Emilia Alfaro with four children. He publicly dedicated his election victory to his (bed-ridden) father, former PLRA deputy Castulo Franco, who has since died. He also followed in the footsteps of his brother, Julio Cesar "Yoyito" Franco, a former vice president (2000-02) who represented the PLRA in the 2003 presidential election and placed a distant second to President Duarte in voting. (NOTE: "Yoyito" will serve as senator in the next Congress. END NOTE.) A member of the Paraguayan Society of Internal Medicine, Federico Franco is a medical surgeon by trade and owns a medical center in Fernando de la Mora, a large Asuncion suburb. He graduated with his doctorate in medicine and surgery from the National University of Asuncion in 1986. He served as section chief at two local hospitals from 1991 until 1996.

14. (U) Franco launched his political career as a suburban municipal council member in 1991 and joined the PLRA in 1994. He has been a PLRA leader since 2002 and currently serves as the party's president. He served as governor of Central Department, Paraguay's most populous department, from 2003 to 2008. During his tenure as governor, he also served as president of the Transportation Secretariat for the Asuncion

Metropolitan Area (SETAMA); president of the Coordinator for Liberal Paraguayan Mayors; president of the Administrative Council of the Municipal and Departmental Educative Center "Eligio Ayala"; and vice president of the Paraguayan Organization of Intermunicipal Cooperation (OPACI). Franco is involved in numerous government organizations and is founding member of the Association of Municipal Councils of Paraguay and the Latin American Institute of Integration and Development. He served as mayor of Fernando de la Mora from 1996 to 2001, and was a member of the Fernando de la Mora Municipal Council between 1991 and 1996. He has a strong interest in public health and decentralization issues.

¶5. (U) Franco announced his bid for the vice presidency after the PLRA agreed in June 2007 to support Lugo's presidential candidacy in return for Lugo's commitment to accept a PLRA running mate. The controversial decision divided the five major opposition parties involved in the National Coalition -- the PLRA, National Union of Ethical Citizens (UNACE), National Solidarity Party (PS), Beloved Fatherland Party (PQ), and National Encounter Party (PEN). The National Coalition splintered when the UNACE and PQ fielded their own presidential tickets; the PLRA, PS, PEN and others formed the APC in September 2007 from its remnants.

¶6. (C) A veteran politician, Franco reportedly has a strained personal relationship with President-elect Fernando Lugo. (NOTE: Some observers deny this, saying it is really an institutional debate over roles, and that there is no personal element to their battles. But tension is evident, regardless; just since the April 20 elections, post has seen several times how Franco kept information from Lugo, even as Lugo refuses to provide the Liberals a "quota" on cabinet positions. END NOTE.) Franco is a pragmatist and a free-market liberal tempered by his experience as a businessman and community leader. Franco is moderate and less prone to populism than Lugo. He is also known for his strong personality and ambition. Franco's come-from-behind victory over Balmelli (Balmelli led Franco prior to the December PLRA primary by 15 percentage points) indicates that Franco can marshal his base -- the PLRA -- to achieve results. As member of a prominent Liberal family, he can draw on his many political connections as vice president. Many non-politicos, however, view Franco's deep roots in the Paraguayan political class as precisely "part of the problem, not the solution" that Lugo was elected to reform.

¶7. (C) COMMENT: Franco should bring balance and political experience to the Lugo administration, although his somewhat strained relationship with Lugo could interfere with their ability to govern effectively together. Lugo lacks a strong political base, and he will need Franco's political ties to build support for his initiatives. In the end, it may be a contest of wills. END COMMENT.

Please visit us at <http://www.state.sgov.gov/p/wha/asuncion>

Cason